

Message Text

UNCLASSIFIED

PAGE 01 LONDON 08336 191805Z

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02

PRS-01 /120 W

-----200106Z 089045 /73

R 191740Z MAY 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4125

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS LONDON 08336

E.O. 11652: N/A

TAGS: ENRG UK IEA

SUBJECT: PROPOSED CHANGES TO UK COMPULSORY OIL STOCKS
REQUIREMENTS

1. SECSTATE FOR ENERGY BENN ANNOUNCED MAY 17 HIS INTENTION TO DIRECT THAT UK OIL REFINING COMPANIES HENCEFORTH NEED HOLD OIL STOCKS EQUIVALENT TO 75 RATHER THAN 85 DAYS' CONSUMPTION. NONREFINERS SUBJECT TO DIRECTION WOULD BE REQUIRED TO HOLD STOCKS EQUIVALENT TO 60 RATHER THAN 55 DAYS' CONSUMPTION. THE PROPOSED CHANGES IN OIL STOCK OBLIGATIONS IMPOSED ON UK OIL COMPANIES RESULT FROM INCREASING PRODUCTION OF NORTH SEA CRUDE OIL AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 08336 191805Z

ARE DEEMED TO FALL WITHIN THE CURRENT IEA AND EEC LIMITS ON THE EXTENT TO WHICH STOCKING OBLIGATIONS CAN BE REDUCED AS INDIGENOUS SUPPLIES INCREASE. THE MOVE SHOULD GIVE SUPPORT TO THE BRITISH BALANCE OF PAYMENTS SITUATION WHILE INCREASING OPERATIONAL FLEXIBILITY.

2. UNDER CURRENT EEC COUNCIL DIRECTIVES (68/414, AS

AMENDED BY 72/425), THE UK HAS AN OBLIGATION TO MAINTAIN STOCKS EQUIVALENT TO 90 DAYS' INLAND SALES OF OIL FOR ENERGY PURPOSES. UNDER ARTICLES 2 AND 3 OF THE INTERNATIONAL ENERGY AGREEMENT, THE UK HAS AN OBLIGATION TO MAINTAIN STOCKS EQUIVALENT TO 70 DAYS OF NET OIL IMPORTS, RISING TO 90 DAYS' SUPPLY BY 1980. IN ANNOUNCING THE PROPOSED CHANGES, THE DEPARTMENT OF ENERGY NOTED THAT THE EEC DIRECTIVES PRESENTLY ALLOW A 15 PERCENT OFFSET AGAINST STOCKS FOR INDIGENOUS OIL AND THE IEA AN EFFECTIVE 100 PERCENT OFFSET.

3. ON DECEMBER 16, 1976, THE DEPARTMENT OF ENERGY SPECIFIED THAT OIL SUPPLIERS WILL BE CONSIDERED AS "SUBSTANTIAL SUPPLIERS" AND THEREFORE LIABLE TO A STOCKING DIRECTION UNDER THE ENERGY ACT OF 1976 ONLY IF THEY SUPPLY TO THE UK MARKET MORE THAN 100,000 TONS OF PRODUCTS ANNUALLY FOR USE AS FINISHED PRODUCTS. IT WAS STATED THAT NOT MORE THAN 88 PERCENT OF CRUDE LIQUID PETROLEUM STOCKS WILL COUNT TOWARD MEETING THE REQUIREMENTS OF ANY DIRECTIVE ON STOCKS.

4. UNDER PROVISIONS OF THE ENERGY ACT OF 1976. COMPANIES WILL BE GIVEN AN OPPORTUNITY TO COMMENT ON THE PROPOSED DIRECTIONS BEFORE THEY ARE MADE DEFINITIVE.

SPIERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, ECONOMIC PROGRAMS, BALANCE OF PAYMENTS, STOCKPILES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON08336
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770179-0714
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770540/aaaabibk.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 29385e90-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2455917
Secure: OPEN
Status: NATIVE
Subject: PROPOSED CHANGES TO UK COMPULSORY OIL STOCKS REQUIREMENTS
TAGS: ENRG, UK
To: STATE BONN
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/29385e90-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009